



## EU-GCC WEBINAR

### 'COVID-19 RECOVERY: ACCELERATING ENERGY TRANSITIONS IN EU & GCC POWER SECTOR'

WEDNESDAY 18 NOVEMBER 2020, 11.00 - 12.15 CET

#### Webinar summary

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This document is a summary of the EU-GCC webinar on "COVID-19 Recovery: Accelerating Energy Transitions in EU & GCC Power Sector". The webinar was organised by the EU-GCC Clean Energy Technology Network. It was the fourth in a series to explore current thinking amongst the EU and GCC regions on climate change. The summary reflects key issues that were discussed and should not be read as an exhaustive list of all technical issues nor represent the views of the organisations represented by the speakers. The full recording of the webinar is available [here](#).

#### Agenda & Speakers

##### Session 1 - Presentations

- Tanzeed Alam, Climate Change Convener, EU-GCC CETN (**Moderator**)
- **Frank Wouters**, *EU-GCC Clean Energy Technology Network*
- **Patrick Illing**, *Head of Trade and Economic Affairs, EU External Action Service*
- **Dr Mari Luomi**, *Independent Expert*

##### Session 2: Panel Discussion

- Tanzeed Alam, Climate Change Convener, EU-GCC CETN (**Moderator**)
- **Dr Noura Mansouri**, *Lead Co-chair of Task Force 2 Climate Change and Environment, Think 20 Saudi Arabia*
- **Dr Irina Kustova**, *Researcher, Centre for European Policy Studies*
- **Caspar Herzberg**, *President of Schneider Electric Middle East & Africa*
- **Turki Al Shehri**, *Chief Executive Officer, ENGIE Saudi Arabia*
- **Ahmed Baghoum**, *Executive Director, Human Capital & Services, Masdar*

#### Summary of Discussion

Tanzeed Alam, Climate Change Convener of the Network, welcomed the speakers and the participants and informed on the practical rules for the smooth running of the webinar. Frank Wouters then provided a brief introduction on the EU GCC Clean Energy Network, funded by the EC, and spoke of the impact of Covid-19 on economies and the energy transition. Patrick Illing spoke of the EU's stance on a green EU recovery and of a digital transition, and how the EU is looking for carbon neutrality by 2050.

Following the opening addresses, Dr Mari Luomi presented details of how the G20 can accelerate sustainable energy transitions in the power sector by supporting the private sector. The presentation is available [here](#) and the T20 policy brief on which it was based is available [here](#).

In Session 2, the panellists responded to a series of questions asked by the moderator. Below is a summary of the key points made during the discussion.

#### Dr Noura Mansouri

- The G20 has a strong tradition of working with a broad range of organizations to bring different perspectives on financial and socio-economic challenges.

- There are eight different groups who can formally submit their communiques for consideration. All eight engagement groups have an element of climate change, sustainability and the environment.
- Empowering the private sector was a key consideration for both the T20, the official think tank network, as well as the B20, the official G20 dialogue with the business community.
- The pandemic has been included as a priority in the G20. The question we must answer is how to build back better, and provide economic stimulus packages that will allow for a more sustainable and resilient future to revive energy demands and support climate change action.
- The circular carbon economy (CCE) proposed by Saudi Arabia and which has been endorsed by G20 energy ministers is a good place to start, and can help build bridges to a low-carbon future.
- The GCC countries are single-source economies, and the Saudi-proposed CCE approach considers different national circumstances to help countries achieve a lower-carbon system. The CCE will provide for the participation of hydrocarbon industries.
- Saudi's new energy mix is committed to having 50% energy renewables by 2030. There is a shift to new technologies too, such as hydrogen. These efforts contribute to CCE globally.

#### **Dr Irina Kustova**

- The EU's Green Deal was published in December 2019 and is based on three pillars: carbon neutrality by 2050; new growth strategies, ensuring that the EU economy is growing and modernizing; just transition, so no one is left behind.
- The Green Deal will require more renewable energy installations with some 2,000GW needing to be installed by 2050, or 70GW a year.
- The Green Deal seeks to incentivize the private sector to be part of this transition in three ways:
  - (i) it is important to increase investor confidence in renewable energy technologies. The Green Deal focuses on a long-term regulatory framework to give investor confidence.
  - (ii) Electricity market design to look at long-term price signals.
  - (iii) Funding, where the EU will unlock an unprecedented amount of funds – nearly two trillion Euros is being discussed – to invest. There will be no lack of funding, but what we need is good plans.
- The private sector must come up with good ideas and solutions to support the Green Deal.
- The energy transition is key for the Green Deal, and there is a major focus on new employment for those regions most at risk, such as coal regions in Eastern Europe. This is a very politically sensitive issue.
- The Green Deal must be viewed as an opportunity to move away from coal (60% of coal power plants are running cash-negative) and towards cleaner, more profitable renewable energy which will provide new growth and jobs for these regions.

#### **Caspar Herzberg**

- There is a clear turn towards renewable energy globally. The EU's framework is comprehensive and mandates the private sector to follow. In the GCC, this change has been government-focused, with large utility scale projects, such as the major solar farms.
- We need to focus more on energy savings and electrification in the GCC and increase involvement of the private sector.
- The uptake on energy efficiency in the Gulf is strong. There is growing interest in electric vehicle infrastructure as this becomes a culture.

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- What we see taking off is digitized solutions that help to reduce energy consumption, either for retrofit or for new builds.
  - The renewable and digital sectors will create more, better paid jobs globally, but especially in the Middle East and Africa.
  - The question is how we can involve Small and Medium Enterprises and consumers, as they are both an important part of the energy transition but are often not factored in sufficiently.

#### **Turki Al Shehri**

- We realize that the policies are all aligned to accelerate an energy transition.
- If we want to achieve these targets, we must work through the private sector.
- The hurdles that we face are the regulations. Given our presence in 70 countries, this is what we see clearly. In the GCC, we need a proper framework to protect investors and investments.
- The next step is to look at new clean energy solutions, such as green hydrogen, and this is where incentives will help.
- Retrofitting is a huge potential market in the GCC.
- In 2020, we have seen almost twice as many government-led renewable energy projects than 2019. The holdback has been for the private sector, in terms of lending and funding. Governments see that these projects make economic sense, in terms of energy production, manufacturing, services and jobs.

#### **Ahmed Baghoum**

- Public Private Partnerships are key for the growth of Masdar's portfolio, both regionally and globally. We leverage our relationship with both to make progress on energy diversification.
- It is also our mandate to help maintain the UAE's leadership in the global energy sector, while supporting the diversification of its economy and energy sources – both in terms of industry sector and geography.
- Our investment philosophy is about partnership. And we have been very clear about the need for our investments to be financially viable for all our projects.
- We have some talent from the oil and gas sector. As a leader in the renewable energy sector, we have helped to raise awareness among the different power sectors about what new technologies can do. Transfer of knowledge is essential to move the energy sector forward.
- We anticipate that 11.5 million jobs will be created by the energy transition globally, and we are seeing this happen on a smaller scale in the places where we are present.

#### **Questions & Answers from audience**

The following clarification question was answered by Dr Noura Mansouri.

*What is the best way to convince policy makers to invest in green projects during challenging economic times?*

- We must show future opportunities, both direct and indirect, especially to politicians and their constituents. This will include not simply new projects, but also ancillary industries such as the supply chain, education etc. Inclusivity in policy making is almost as important; policy makers must come up with realistic policies through inclusive discussions with all stakeholders around big issues such as energy security and the energy transition.